

TRANSATLANTIC HOLDINGS INC
Form 425
July 28, 2011

FILED BY VALIDUS HOLDINGS, LTD.

PURSUANT TO RULE 425 UNDER THE SECURITIES ACT OF 1933

AND DEEMED FILED PURSUANT TO RULE 14a-12

UNDER THE SECURITIES EXCHANGE ACT OF 1934

SUBJECT COMPANY: TRANSATLANTIC HOLDINGS, INC.
COMMISSION FILE NO. 001-10545

Validus Holdings, Ltd.
29 Richmond Road
Pembroke, HM 08 Bermuda

VALIDUS HAS THE SUPERIOR OFFER FOR TRANSATLANTIC

- **Validus Offer Provides Greater Market Value**
- **Transatlantic's Actions Entrench Board and Trample Stockholder Rights**
- **Transatlantic's Adoption of Poison Pill Will Not Stop Validus Pursuit of Exchange Offer**

Pembroke, Bermuda July 28, 2011 Validus Holdings, Ltd. (NYSE: VR) (Validus or the Company) today responded to statements by Transatlantic Holdings, Inc. (NYSE: TRH) (Transatlantic) regarding Validus Exchange Offer.

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Ed Noonan, Chairman and Chief Executive Officer of Validus, said, "We are disappointed but not surprised by today's response from the Transatlantic Board, particularly given their prior demand that we agree to a restrictive standstill before entering into discussions regarding our Superior Proposal. We believe their insistence on a standstill agreement is nothing more than a poorly disguised attempt to prevent us from bringing our Superior Proposal to Transatlantic stockholders. Today, the Transatlantic Board has taken further steps to entrench themselves by establishing a poison pill, initiating meritless legal action, and changing corporate by-laws in an apparent effort to more easily manipulate stockholder meetings. These actions appear to be intentionally designed to trample on the rights of Transatlantic's stockholders.

Validus believes that these actions by the Transatlantic directors—willfully burying their heads in the sand and blaming it on their ill-advised acquisition agreement with Allied World—are inconsistent with their fiduciary duties to Transatlantic's owners.

Transatlantic is spreading misinformation about Validus' Superior Offer in an effort to hide the simple fact that Validus' offer provides greater market value than the inferior Allied World takeover offer. For example:

- Validus has the Superior Offer. Validus' offer provides a 27.1% premium to the June 10, 2011 Transatlantic unaffected share price of \$44.01,⁽¹⁾ and as of yesterday's close, a 4.0% (\$1.95 per Transatlantic share) premium to the implied value of the Allied World takeover offer.⁽²⁾ The implied value of the Allied World takeover offer is a 6.3% discount to the Transatlantic share price.⁽²⁾
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- Validus Superior Offer has substantially the same conditionality as the Allied World takeover offer, as reflected in our offer documents, and there is a clear path to completion.
- Transatlantic and Allied World are now attempting to rewrite their agreement. Their agreement provides that only a transaction in which Transatlantic stockholders would not own a majority of the shares of the combined company can be a superior proposal. Transatlantic is now attempting to argue against Validus Superior Offer because Transatlantic stockholders would not own a majority of the combined company. If Transatlantic is really serious, then their acquisition agreement with Allied World has created a catch-22 that would effectively prevent Transatlantic stockholders from ever receiving the benefits from any competing offer.
- Transatlantic continues to insist that Validus sign a restrictive standstill agreement in order to enter into discussions. We believe that this position is entirely at odds with the Transatlantic Board's fiduciary duties and flies in the face of their previous statement that it would be a breach of their fiduciary duties not to enter into discussions with Validus.

Noonan concluded, The Transatlantic Board clearly has no intention to enter into good-faith discussions with Validus about maximizing value for Transatlantic stockholders. We will not be deterred by the Transatlantic's Board's irresponsible tactics of entrenchment and are determined to complete our Superior Proposal for the benefit of Transatlantic's stockholders. Validus continues to urge Transatlantic stockholders to make their voices heard and send a message to their Board by rejecting the proposed Allied World takeover offer and tendering their shares into Validus Exchange Offer.

Details of Validus Exchange Offer

Under the terms of Validus Exchange Offer, Transatlantic stockholders would receive 1.5564 Validus voting common shares and \$8.00 in cash for each share of Transatlantic common stock they own. The Exchange Offer will expire at 5:00 p.m., Eastern time on Friday, September 30, 2011, unless extended. The offering documents, including a preliminary prospectus/offer to exchange and a related letter of transmittal, describing the Exchange Offer and the means for Transatlantic stockholders to tender shares of Transatlantic common stock into the Exchange Offer will be delivered to Transatlantic stockholders. Stockholder questions regarding the Exchange Offer or requests for offering documents should be directed to Validus Information Agent for the Exchange Offer, Innisfree M&A Incorporated, toll-free at (877) 717-3929 (banks and brokers may call collect at (212) 750-5833).

Transatlantic's adoption of a poison pill will not stop Validus' pursuit of the Exchange Offer.

Solicitation AGAINST Proposed Allied World Takeover

As previously announced on July 20, 2011, Validus has filed a preliminary proxy statement with the Securities and Exchange Commission in connection with the special meeting of stockholders of Transatlantic, urging them to vote AGAINST the inferior Allied World takeover of Transatlantic in order to preserve the ability of Transatlantic stockholders to benefit from Validus Superior Proposal.

Stockholders who have questions, or need assistance in voting their shares, should call Validus proxy solicitors, Innisfree M&A Incorporated, toll-free at (877) 717-3929 (banks and brokers call collect at (212) 750-5833).

(1) Based on Transatlantic (\$44.01) closing price on June 10, 2011 and Validus (\$30.81) closing price on July 12, 2011, the date of the Validus proposal.

(2) Based on Validus (\$27.28), Transatlantic (\$51.78) and Allied World (\$55.12) closing prices on July 27, 2011.

About Validus Holdings, Ltd.

Validus Holdings, Ltd. is a provider of reinsurance and insurance, conducting its operations worldwide through two wholly-owned subsidiaries, Validus Reinsurance, Ltd. and Talbot Holdings Ltd. Validus Re is a Bermuda based reinsurer focused on short-tail lines of reinsurance. Talbot is the Bermuda parent of the specialty insurance group primarily operating within the Lloyd's insurance market through Syndicate 1183.

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Cautionary Note Regarding Forward-Looking Statements

This press release may include forward-looking statements, both with respect to Validus and its industry, that reflect Validus' current views with respect to future events and financial performance. Statements that include the words expect, intend, plan, believe, project, anticipate, would and similar statements of a future or forward-looking nature are often used to identify forward-looking statements. All forward-looking statements address matters that involve risks and uncertainties, many of which are beyond Validus' control. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements. Validus believes that these factors include, but are not limited to, the following: 1) uncertainty as to whether Validus will be able to enter into or consummate the proposed transaction on the terms set forth in Validus' proposal; 2) uncertainty as to the actual premium that will be realized by Transatlantic stockholders in connection with the proposed transaction; 3) failure to realize the anticipated benefits (including combination synergies) of the proposed transaction, including as a result of delay in completing the transaction or integrating the businesses of Validus and Transatlantic; 4) uncertainty as to the long-term value of Validus voting common shares; 5) unpredictability and severity of catastrophic events; 6) rating agency actions; 7) adequacy of Validus' or Transatlantic's risk management and loss limitation methods; 8) cyclical nature of demand and pricing in the insurance and reinsurance markets; 9) Validus' ability to implement its business strategy during soft as well as hard markets; 10) adequacy of Validus' or Transatlantic's loss reserves; 11) continued availability of capital and financing; 12) retention of key personnel; 13) competition in the insurance and reinsurance markets; 14) potential loss of business from one or more major reinsurance or insurance brokers; 15) the credit risk Validus assumes through its dealings with its reinsurance and insurance brokers; 16) Validus' or Transatlantic's ability to implement, successfully and on a timely basis, complex infrastructure, distribution capabilities, systems, procedures and internal controls, and to develop accurate actuarial data to support the business and regulatory and reporting requirements; 17) general economic and market conditions (including inflation, volatility in the credit and capital markets, interest rates and foreign currency exchange rates); 18) the integration of businesses Validus may acquire or new business ventures Validus may start; 19) the legal, regulatory and tax regimes under which Validus operates; 20) the effect on Validus' or Transatlantic's investment portfolios of changing financial market conditions, including inflation, interest rates, liquidity and other factors; 21) acts of terrorism or outbreak of war or hostilities; and 22) availability of reinsurance and retrocessional coverage, as well as management's response to any of the aforementioned factors.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the Risk Factors included in Validus' and Transatlantic's most recent reports on Form 10-K and Form 10-Q and other documents of Validus and Transatlantic on file with the Securities and Exchange Commission. Any forward-looking statements made in this press release are qualified in their entirety by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Validus will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Validus or its business, operations or financial condition. Except to the extent required by applicable law, Validus undertakes no obligation to

update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

No rating agency (A.M. Best, Moody's, or Standard & Poor's) has specifically approved or disapproved or otherwise taken definitive action on the potential transaction.

Additional Information about the Proposed Transaction and Where to Find It:

This press release relates to a proposed business combination transaction between Validus and Transatlantic which may become the subject of a registration statement and relevant solicitation materials filed by Validus with the Securities and Exchange Commission. This press release is not a substitute for the registration statement and relevant solicitation materials that Validus may file with the Securities and Exchange Commission or any other documents which Validus may send to its or Transatlantic's shareholders in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND RELEVANT SOLICITATION MATERIALS AND ALL OTHER RELEVANT DOCUMENTS IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. All such documents, if filed, would be available free of charge at the Securities and Exchange Commission's website (www.sec.gov) or by directing a request to Innisfree M&A Incorporated at (877) 717-3929 (banks and brokers call collect at (212) 750-5833).

Participants in the Solicitation:

Validus and certain of its directors and officers may be deemed to be participants in any solicitation of shareholders in connection with the proposed transaction. Information about Validus' directors and officers is available in Validus' proxy statement, dated March 23, 2011 for its 2011 annual general meeting of shareholders. Other information regarding the participants and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the registration statement and relevant solicitation materials that Validus may file with the Securities and Exchange Commission in connection with the proposed transaction.